

**Water and Light Advisory Board
September 7, 2006**

A meeting of the Water and Light Advisory Board was held September 7, 2006 at 7:00 a.m. at the Administration office downtown. Attending the meeting were:

John Conway, Chair
Tom Baumgardner, Vice Chair
Ernie Gaeth, Member
Greg Macias, Member
Robert Roper – Member
Dan Dasho, Director
Mike Schmitz, Chief Engineer
Tad Johnsen, Power Production Superintendent
Jim Windsor, Manager of Rates & Fiscal Planning
Floyd Turner, Water Operations Manager
Tina Worley, Utility Services Manager
Dan Stokes, Electric Distribution Manager
Marilyn Thorpe, Administrative Support Supervisor

Dick Parker

APPROVAL OF THE AUGUST 18, 2006 MEETING MINUTES: The minutes of the August 18, 2006 meeting were approved with a motion by Ernie Gaeth and second by Greg Macias.

FINANCIAL REPORT: Water and Electric Utility combined operations reflect an operating income of \$3,406,003 for the ten months ended July 31, 2006; compared to an operating income of \$2,411,444 for the same period last year. This is an increase of \$994,559.

The Water Utility has an operating income of \$1,719,749 for the ten months ended July 31, 2006; compared to an operating income of \$1,529,845 for the same period last year. This is an increase of \$189,904 in operating income.

The Electric Utility has an operating income of \$1,686,254 for the ten months ended July 31, 2006; compared to an operating income of \$881,599 for the same period last year. This is an increase in operating income of \$804,655.

- Dan Dasho told the Board that SO2 sales were anticipated in the next few months.
- The Board reviewed the financial report provided by the Finance Department and asked staff to request Finance to provide a year end report for the November meeting. The Board recognizes that it will be an unaudited report.
- Tom Baumgardner made a motion with a second from Ernie Gaeth to recommend that Council approve the budget as presented. The vote was unanimous.

POWER PLANT/POWER SUPPLY:

- a) Peak Usage: Tad Johnsen reported that the projected peak of 265 was hit in August with a 5% increase in energy consumption for the month of August.
- b) Power Supply Option Discussion: Staff said they had been in contact with Ameren regarding the contract that will end in 2008. Staff is discussing an RFP for short term

(3-5 year) power purchases. The Board was informed that it might not be necessary to build the 108 megawatt fluidized bed power plant until 2015 instead of 2010. Staff felt construction costs might be lower at that time. Dan said some of the advantages of building our own plant included: we have our own Balancing Authority; we would have own generation; more coal shipments benefiting the COLT; local control; owning your own plant gives you more control on the costs. Dan said we will have to make a decision by 2008 on which way to go.

A chart was given to the Board summarizing load vs resources. After reviewing the chart the Board requested that staff put a megawatt costs on the chart to make it easier to read. Staff and the Board discussed the various options they need to consider in regard to building or buying power from somewhere else. The Board felt they needed a detailed timeline with all the numbers and requested that Staff create a schedule focusing on when decisions needed to be made. The Board asked if the data that they have now is still valid. Dan said he would check with Black and Veatch and see if the numbers are still good. John Roper said staff needed to think about how to get information out to the public so they can make a good decision when the time comes. The Board asked about the possibility of nuclear power. Dan said he would send a letter to Ameren requesting information on nuclear power.

ENGINEERING: Mike Schmitz said all the Engineering projects were on schedule.

NEW BUSINESS: Nothing

OLD BUSINESS: Staff informed the Board that the Open House for the Water Treatment Plant was postponed until next spring.

Next meeting date: October 13, 2006.

Meeting adjourned at 8:30 a.m.

Respectfully submitted,